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Country cooperation frameworks and related matters

**Second regional cooperation framework for Europe and the
Commonwealth of Independent States (2002-2005)**

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I. Introduction

1. The second regional cooperation framework (RCF) for Europe and the Commonwealth of Independent States 2002-2005) is an instrument for realising the Millennium Development Goals (MDGs) set out in the Millennium Declaration. This includes, in particular, halving the proportion of people living in extreme poverty by 2015. By promoting regional programmes to sustain human development in the region, the RCF acts as a bridge between the global cooperation framework and the county cooperation frameworks (CCFs) of the region. It provides policy and knowledge-based advisory services to Governments and civil society organisations, and helps the region to exploit its opportunities in the global economy. The RCF does this by advancing three related programme priorities: (a) democratic governance, to expand and enhance participation in policy-making, analysis and advocacy; (b) economic governance, to enhance the potential of globalisation for sustainable development and address the negative effects of globalisation that exacerbate poverty and inequality; and (c) environmental governance, to ensure that natural resources are utilized in ways that sustain human development in the long term. The cumulative impact of these three initiatives is intended to reinforce regional capacities to handle complex political and economic transitions, foster opportunities for participation in efforts to sustain development through good governance and narrow the gap between these and more affluent countries in Western Europe.

II. Development situation from a sustainable human development perspective

2. The region and the global economy. The economic, social and political transitions that dominate development in much of the region are entering their second decade at a time of considerable fluidity in Europe and the CIS, and in the region's place in the global economy. Managing globalisation in a way that promotes sustainable human development has proved challenging in much of the region. Central Europe and the Baltic States stand out for having considerably narrowed - in an

historically short period of time - legal, institutional, and developmental gaps vis-à-vis Western Europe. Human development indicators have risen substantially in these countries, as significant amounts of foreign investment have contributed to industrial and financial modernisation and strong economic growth since the mid-1990s. Economic growth has been less robust in other sub-regions and declines in human development indicators in some countries reflect diminished state capacity for sustaining human development. Foreign direct investment has often been dwarfed by capital flight while reform in the industrial, agricultural and financial services sectors has not met the demands of the increasingly competitive global market. The cost-benefit ratio of globalisation seems particularly unfavourable in Central Asia and the Caucasus.

3. The region. Transitions from command to market economies and from high concentrations of state power to forms of political organisations based on decentralization and broader civil participation continue across the region. Its socio-economic profile reflects two different but related development trajectories: broad recovery, when compared to its situation at the beginning of the first RCF, and more variegated development problems that pose significant challenges for each country and its neighbours. The Europe and CIS region is remarkably heterogeneous in development terms and its inherited commonalities are giving way to increasingly sharp divergences. The Central European and Baltic States have completed much of the basic transition in governance and economic management; membership in the Organisation for Economic Cooperation and Development (OECD), the North Atlantic Treaty Organisation (NATO) and ultimately the European Union could signal the end of this transition. Two countries in the region became net contributors to UNDP during the first RCF; eight more could "graduate" to donor status before the second RCF period ends. The human capital and best practices embodied in these "emerging donor" development and transition success stories can serve as powerful instruments for progress in the region. This second RCF will make liberal use of these instruments in Southeast Europe and the CIS. Many of these countries display characteristics resembling less developed countries

in the ways that power is concentrated, resources allocated, and goods produced and distributed. Most sub-regions in the region also include zones of semi-encapsulated conflict. In some, post-conflict recovery may provide the impetus for fast and effective liberalisation, stabilisation, and structural reform. Conflict prevention is likely to be most effective, however, when combined with programmes for sustainable development.

4. **Determining appropriate government roles in addressing crucial problems,** in concert with the private sector, civil society and external actors, is both a regional and a domestic concern. In many countries in the region the reforms introduced during the first decade of transition are now giving way to a second generation of initiatives intended to sustain new institutions. The agenda is moving from privatisation and restitution to the creation of sustainable frameworks for the rule of law; from decentralizing government structures to establishing and enforcing transparent rules of conduct for political and economic actors; and from (re-)crafting national identities to forming frameworks for regional collaboration. These challenges can only be met by governance reform.

5. **Poverty and inequality.** Many countries in the region, including those most successful in negotiating multiple transitions, are experiencing growing income inequalities. The many faces of poverty are becoming familiar, either as deeply entrenched phenomena or as episodic reflections of economic change. Both reflect rapidly changing employment opportunities: unemployment, underemployment, informal employment and uncompensated work are indicators of poverty and domestic strain, particularly where social protections are inadequate. Changes in urban and rural economies and in their interaction, which have led to internal and cross-border migration as well and new social and class fluidities, pose complex policy challenges. Gender inequalities are associated with many of these challenges, as relatively large numbers of women find themselves victims of new and traditional forms of poverty, discrimination and inequality. This is mirrored in weak or absent social safety nets, lower spending on education and correlations between lower living standards and gender, ethnic and generational disparities. Conflict

and under-investment in industry, finance, and technology have set off cycles of economic and social uncertainty, particularly in comparison to neighbouring countries in Europe. The environmental costs of pre-transition policies are being felt, while new environmental strains are resulting from transition-related changes in the urban and agrarian landscapes. Alleviating poverty, preventing its spread, and thwarting conflict arising from inequitable distributions of income and wealth are key governance challenges.

6. **Equity and equality.** Women, minorities and other vulnerable groups have borne a disproportionate share of the costs of transition. This situation is the result of sharp changes in employment patterns, poorly realised reform efforts and conflict. Access for women, ethnic minorities and other vulnerable groups to adequately compensated employment has often shrunk disproportionately and women often receive lower remuneration for equal work. That greater percentages of women than men now find themselves living in poverty has a significant effect on the well-being of families. Trafficking in women and children in the region seems to be large and growing. Even in the most successful Central European transition countries, Roma integration issues are a major impediment to European Union accession. The presence of women in politics has diminished across the entire region, both in higher political institutions and in terms of overall political participation. Although almost all countries in the region ratified the Beijing Platform for Action at the Fourth World Conference for Women in September 1995, many still lack institutional support to translate its aspirations into policy. In some countries in the region transition-related burdens on women are accompanied by traditional forms of oppression, violence and exploitation. The fact that women in some countries outlive men by a decade underscores the critical and not fully appreciated role gender plays in determining human welfare in the region.

7. **Governance.** Formulating and implementing poverty-reduction policies requires broadly based, representative, well-functioning institutions. The nature and quality of governance vary dramatically across the region, particularly in relationships

between central authority and local government and between state institutions, the private sector and civil society. Many public-sector institutions remain weak and dysfunctional, whether in countries with highly concentrated power or highly diffused power. Public attitudes towards reform, reflected variously in the willingness to absorb high personal-poverty costs or to incur risks to secure new opportunities, are likely to be strongly affected by the extent of citizen participation in policy processes.

8. Environment. Despite efforts to increase environmental awareness and public participation in environmental policies, regional ecosystems remain under threat. Declining industrial output and the adoption of more efficient production techniques have reduced environmental pressures in some arenas. Pre-transition legacies, combined with new production and consumption patterns, however, continue to degrade environmental quality. Endangered ecosystems that threaten human health and security also create new economic and social hardships. Unwieldy governance structures and inadequate capacity to prepare and implement environmentally sensitive policies do not easily lend themselves to integrated development policy.

9. Conflict, conflict prevention, and post-conflict recovery. The majority of countries in the region have been affected by conflict, either directly or indirectly, during the past decade. Conflicts within and between countries in the Balkans, the Caucasus, and Central Asia have directly affected prospects for economic development. Divisive social forces within some countries, unusual development paths that result from the presence of large-scale international peacekeeping missions in some areas, and fears of conflicts spreading from neighbours are serious obstacles to long-range regional peace. In many countries, conflict continues to put reform and transition at risk. Power and policy vacuums created by conflict are evident in trafficking in persons and illicit substances and in corruption that relies on permeable borders. Applying the principles of good governance and multilateralism, albeit in limited venues, has helped to alleviate some of the burdens of conflict.

10. Multilateral cooperation. Region-wide political and economic institutions are absent, and sub-

regional institutions are limited in number and significance. Still, transborder cooperation can help to promote economic growth. Indeed, the absence of established, formal institutions offers opportunities for creative multilateralism within the region as a whole and among its sub-regions. Where economic potential remains subject to close scrutiny by international investors, solutions to shared problems are likely to be crucial to progress and reform. These include the management of environmental and energy resources, trade relations, information and communications, conflict reduction, and public health (including, significantly, HIV/AIDS and tuberculosis). Each of these arenas requires innovative initiatives to move the region not only closer to its prospective investors and political interlocutors but also towards informal internal cooperation.

11. Information and communication technologies for development. Although many countries in the region lag behind OECD leaders in information and communication technologies (ICT), some possess considerable ICT resources. During the 1990s, many countries attracted large foreign investments in telecommunications and successfully demonopolized the sector, creating local competition and significant increases in access and quality of services. Some countries are becoming leaders in the software and ICT engineering sectors. Most of the region's populations are highly educated and take advantage of these resources where and when they are made available. However, government policies focussing on developing national ICT strategies often neglect core investments in ICT training and education and the development of local (and local language) content that can sustain broader initiatives in human development.

12. HIV/AIDS. No country in the region has been untouched by HIV/AIDS and few are well prepared for its consequences. While in some Central European countries the prevalence of HIV/AIDS remains relatively low, the growth of the epidemic is assuming alarming proportions in the Baltic States, the Russian Federation, and Ukraine and outbreaks of HIV-related drug use are now being reported in Central Asia. A few countries have mounted a strong national response, in which Governments have been able to curtail intravenous drug use. In

most countries in the region, however, institutional and information support is inadequate to the requirements of a multisectoral response to HIV/AIDS, particularly in terms of implementing national strategies and financing plans. Efforts to attack the epidemic must take into account the region's heterogeneity and the related problems of high unemployment, declining social services and ongoing economic tensions.

III. Results and lessons of past inter-country cooperation

13. Critique The first RCF for Europe and the Commonwealth of Independent States (1997-2001) was initiated shortly after most countries in the region had gained independence or were emerging from command economies and authoritarian governments. Early UNDP activities took place as the first country cooperation frameworks (CCFs) were established and programming at the country and regional levels tended to be responsive and tactical rather than strategic or catalytic. The reactive nature of these activities was at times inconsistent with the consultations needed for effective partnerships. The first reactive nature of the first RCF in effect reflected this early phase of the transition: programming tended toward opportunistic rather than strategic interventions; management and relationships between regional and national programmes were relatively loose; and consultations among stakeholders in RCF design and execution were relatively weak.

14. Lessons learned The period of "opportunistic interventions" is now over. Clarifying oversight, coordination, consultation and monitoring/evaluation mechanisms in order to sharpen the regional programme's management and focus have been major concerns following the review of the first RCF in 2000. Clearer lines of reporting, evaluation and accountability vis-à-vis the regional programme have been set within the region and with important stakeholders. The drafting of the second RCF was accompanied by extensive consultations by resident representatives with virtually all national government partners and with civil society (including regional country think-tank) representatives from the region. Broad internal consultations were held by regional representatives

with the International Labour Organisation (ILO), the International Telecommunication Union (ITU), the Office of the High Commissioner for Human Rights (OHCHR), the Joint United Nations Programme on HIV/AIDS (UNAIDS), The United Nations Economic Commission for Europe (UNCE), the United Nations Environment Programme (UNEP), and the United Nations High Commissioner for Refugees (UNHCR). Consultations were also held with such important external partners as the Secretariat of the CIS, the Regional Environmental Centre for Central and Eastern Europe, the Open Society Institute and the Organisation for Security and Cooperation in Europe (OSCE). These consultations helped to craft the regional programme as a strategic umbrella for coordinated assistance that reflects changing conditions in the region and among regional partners. The client survey mechanism implicit in this process will be regularized through the management and oversight mechanisms detailed in Section V.

15. Opportunities The first RCF showed that successful initiatives directed at improving governance in the region require long-term commitment and investment in "change agents". Pilot programmes in building cross-regional change networks (particularly in local governance and parliamentary development) undertaken in the last phase of the first RCF showed the merits of such an approach. But sustained improvements in the quality of governance in the region are unlikely if initiatives do not enjoy strong support from Governments. In contrast to some other donors, UNDP can take a long-term approach to improving governance, built on country office knowledge of local conditions, the analytical capacity vested in the regional programme, and its ability to engage Governments on a broad range of issues. During the first RCF, UNDP increasingly capitalised on these comparative advantages to build and expand partnerships and is now playing a key role in human rights promotion, local governance, parliamentary development, water management and climate change. Translating these partnerships into concrete results in making governance effective will be a major focus of the second RCF.

16. Focus areas. The first RCF included six umbrella projects: economic reform for poverty alleviation; gender in development; support to democracy, governance and participation; external resource management; support for small- and medium-enterprise development; and human development statistics and reporting. Because UNDP programming was new in almost every country in the region, each regional project was also new and most suffered from similar problems in design and management. Every project nonetheless experienced successes as well, including groundbreaking work in gender equity, the poverty analysis, parliamentary reform, human rights implementation, local governance, and growing cooperation among countries whose relationships have been seriously tested during the first transition decade. The first RCF also built development partnerships, in particular within and among European Union accession countries. The second RCF will further narrow the scope of regional activities by focusing on three inter-linked governance themes: democratic governance, economic governance and environmental governance. It will use the transition and development successes apparent in the Central European and Baltic sub-regions to promote new forms of regional cooperation.

IV. Proposed strategy and thematic areas

17. Programme strategy. Programming undertaken under the second RCF will respond to regional and sub-regional needs, provide constructive guidance to national programmes and undertake activities that might otherwise be difficult to pursue through separate national programmes. The second RCF is selective rather than comprehensive, focusing on policy arenas that are basic to regional transition and reform and that can build on the region's strengths and the distinctive development concerns of UNDP. Short- and longer-term results will be realised primarily at the regional and sub-regional levels and subsequently in national programmes. The second RCF acts as a bridge between UNDP global frameworks and the CCFs undertaken in each programme country. It therefore functions as a UNDP roadmap for the region, linking global priorities to regional and national programmes and

further linking national and sub-regional programmes. It is designed to deepen regional capacities in policy analysis and advocacy in three fundamental governance arenas: democratic governance, economic governance and environmental governance. It builds on successes in the first RCF and depends critically on expanding regional analytical capacities as a foundation for good governance, regional growth and stability, and the management of public goods and services.

18. Three regional programmes will be developed in the democratic, economic and environmental governance areas. Each will have distinct programme priorities based on regional assessments undertaken during the RCF preparation process and through analytical work completed under the first RCF. The second RCF has also identified seven issues that will be addressed in an integrated manner throughout the regional programme: protecting and promoting human rights; ensuring transparency, accountability and anti-corruption policies; decentralising and deconcentrating power; addressing the complex intersections of conflict prevention and early warning, conflict mitigation and post-conflict recovery; promoting equity in development; combating HIV/AIDS; and integrating ICT as an instrument for development. The programme priorities of democratic governance, economic governance and environmental governance will be organised as follows:

A. Democratic governance

19. Activities. There have been significant achievements in developing new governance processes and institutions in the region. However, they are not uniform in breadth or depth, whether in public administration or the development of representative institutions. Explorations into the causes of this limited success are needed in order to understand how to render policy-making more participatory and how to strengthen representation through institutional reform. The institutional reform component of the democratic governance project will be built around initiatives to foster parliamentary development, indigenous analytical capacities in public administration reform, emerging ombudsman and human rights institutions, and indigenous advisory capacities. The regional

programme will also focus on mechanisms that help civil society to contribute to policy-making and its implementation and on policy that responds to vulnerable groups. Typical activities include working with Governments, national programmes and other donors to build and strengthen coalitions for policy process reform; promoting the gradual transfer of functions and resources to local Governments; and supporting the development of early warning systems to ensure that information on key political, economic and social trends is accessible to Governments and citizens. Continuing and strengthening partnerships with the Open Society Institute, OSCE and other good-governance stakeholders will be particularly important.

20. Expected results. The regional programme will help to: (a) develop the skills base of national and non-national analytical centres; (b) diversify available policy instruments to render policy-making more effective; (c) shift functions and resources from national institutions to those with elected representatives; (d) develop anti-corruption strategies and enforcement mechanisms that will in turn improve transparency ratings and increase citizens' trust in their own government administrations; (e) promote the use of better assessment tools to ensure greater institutional accountability and transparency; (f) create visible changes in how policies are made through the adoption of consultation and policy communication strategies, to be set up in 40 per cent of programme countries; (g) create a regional network of policy advisers on institutional reform that is used by Governments; and (h) ensure that countries continue to develop the capacity to promote and protect human rights, with ombudsman and human rights institutions set up and working in 80 per cent of programme countries by the end of the RCF period. Where appropriate, changes in comparative or composite measures of corruption, transparency and good governance will be viewed as indicators of programme success.

B. Economic governance

21. Activities. The economic governance programme will create and strengthen regional networks and mechanisms in order to provide policy-relevant analysis and advice on measures to

reduce poverty and regional disparities, increase participation opportunities and improve prospects for sustainable human development. It will address linkages between and among macroeconomic policies and poverty alleviation, mitigation and prevention; social policy, labour markets and inequality; and public finance, municipal decentralisation and good governance. Economic governance initiatives will focus on regional (sub-national) development, decentralisation and the empowerment of local economic actors. It will analyse commonly used statistical measures of economic welfare and suggest alternatives that capture changes in prospects for sustainable human development better. Poverty-reduction policies, streamlined in all levels of governance (national, regional and local), will focus on providing opportunities to include or reduce dependency cultures. Partnerships with ILO and UNECE will be particularly important here.

22. Expected results. The regional programme will help to integrate sustainable human development priorities into economic policies and practices and will influence policy debates at the national, sub-national and local levels. Within these debates, best practices will be shared among all actors (national and local Governments, civil society organisations, businesses and citizens) in order to ensure that they are making informed choices about appropriate poverty alleviation policies and their implementation. This will further enhance civil-society participation in promoting equitable human development and poverty reduction policies. New statistical and analytical indicators to bolster policy analysis and advocacy will be developed, with a special accent on regionally disaggregated social and economic statistics. Best practices in addressing regional (sub-national) disparities will be identified and promoted and new analytical work on human security in crisis-prone sub-regions will be developed. Where appropriate, changes in measures of poverty and inequalities will be used to assess the impact of the economic governance activities.

C. Environmental governance

23. Activities. The environmental governance programme will help countries to design and implement integrated transboundary environmental

strategies. The regional programme's niche lies in its environmental governance focus, which emphasises capacity-building for regional/sub-regional cooperation in environmental protection and poverty reduction. Two broad areas will command priority attention: (a) facilitating regional policy dialogue aimed at developing common regional/sub-regional frameworks so that international environmental governance can adequately support capacity-building, provide analytical materials and offer a neutral platform for cross-country discussions; and (b) strengthening prospects for resource-sharing in common basin ecosystems, especially with regard to water resources. The cooperation begun during the first RCF between the economic and democratic governance programmes, the regional activities of the Global Environment Facility (GEF) and Capacity 21, and country offices will be strengthened to maximize the effect of their main comparative advantages for the region's environmental initiatives. Partnerships with organisations such as the Council of Europe, the Regional Environmental Centre for Central and Eastern Europe, NATO, OSCE, UNEP, and the World Wildlife Fund - with whom the regional programme is often asked to play a coordinating role - will be another area of comparative advantage.

24. Expected results. The regional programme will: (a) build stronger capacities for pursuing national and international environmental governance activities in country offices and with other major partners, including Governments of the region; (b) improve the regional capacity to harmonise national policies for managing shared river basin resources (including demonstration projects); (c) strengthen analyses of environment/poverty, environment/health, environment/economic links and their impact on prospects for sustainable human development; (d) promote transboundary environmental strategies and management mechanisms pertaining to shared natural resources; and (e) incorporate vulnerability and risk assessments into transboundary environmental policies and plans. Where appropriate, changes in objective measures of environmental quality, such as reductions in water pollution levels or flooding incidence, will be used to assess the impact of the environmental governance activities.

D. Strategic Issues

25. To promote coherence and capture synergies between these three priorities, the regional programme will devote special attention to seven strategic issues that are critical for sustainable human development in the region. Some of these strategic issues also reflect core UNDP values □ such as concern for gender inequities or the imperative of conflict prevention □ that will be broadly reflected in regional programming. Each strategic issue will be led by a specialist from one of the three main thematic governance teams. Each project will take responsibility for at least one strategic issue and a package of regional programme activities will be designed for each of these seven strategic issues. These packages will include advocacy publications, high-level workshops and pilot activities. The regional programme will generate at least one major advocacy publication on each strategic issue during the RCF period.

26. Promoting and protecting human rights. UNDP will further its human rights advocacy and analysis at the regional level in coordination with the United Nations system and European-based institutions. Its regional analyses will identify factors contributing to the success of emerging human rights institutions, elaborate standards promoting transparency, accountability and decentralisation and promote social integration and the protection of minorities and vulnerable populations. These analyses will be delivered to programme countries through an innovative electronic network of regional human rights institutions and through advocacy training programmes for these institutions and NGOs to strengthen rights protections in the political, economic and environmental arenas.

27. Promoting transparency and accountability. To ensure transparency and accountability across all sectors and to replicate successful practices under varying national and regional conditions, it is critically important to analyze the underlying causes and effects of corruption in the region. The economic policy dimension of this work will emphasize new balances between administrative discretion and transparency in order to promote reform in parliaments, civil services, judicial and

legal organisations, local governments and the private sector. These analyses will be a key component of advocacy efforts to fight corruption and to create civil society constituencies to support these advocacy tools. The regional programme will develop guidelines for participatory approaches to promote transparency, and support the implementation of such processes.

28. Decentralising and de-concentrating power.

The decentralisation of public administration has had only limited success throughout the region. Some countries are now witnessing reversals in the devolutionary processes that were initiated earlier in the transition period. Analyses of these trends and possible corrective mechanisms, undertaken in cooperation with partner institutions, will be an important element of all governance work under the second RCF. These initiatives will be buttressed by economic analyses of fiscal decentralisation and the modernisation of local government finance. The programme will help to create policy networks to stimulate new decentralisation initiatives, particularly where progress has been most limited. Because decentralisation is a highly sensitive reform issue, advocacy will be conducted (whenever appropriate) with the participation of regional officials, regional and international specialists, local government associations and non-governmental actors, organised in networks to stimulate innovative solutions to decentralisation problems and to serve as first-line advocates for reform. The regional programme will help to establish sub-regional networks in partnership with other organisations working in the region. The local government information network will play an important role in this initiative.

29. Preventing and recovering from conflict. The regional programme will continue work on early warning and conflict prevention. It will focus on limiting trafficking in arms, persons and illicit substances and on containing those aspects of parallel economies that contribute to corruption and expand poverty. In addition to ongoing work in policy analysis, advisory and advocacy activities in Southeast Europe, Central Asia and the Crimea, conflict prevention and post-conflict recovery elements of democratic, economic and environmental governance will receive close

scrutiny. Because insecurity and conflict constrain the development of democratic institutions, the regional programme will support initiatives that identify, manage, mitigate and resolve conflict, in particular by engaging civil society in domestic and cross-border activities. As economic uncertainty constrains domestic and foreign investment, the programme's economic governance activities will be linked to work on the root causes of conflict and obstacles to its resolution. Because the scarcity of resources, environmental degradation and problems of resource management lie at the core of current and potential conflicts in Southeast Europe, the Caucasus and Central Asia, regional programming will seek to link analysis, debate and dialogue in order to assist regional actors in conflict prevention and resolution. An important partner in this area of programming will be the Bureau for Conflict Prevention and Recovery.

30. Promoting equity in development. Focusing attention on causes of gender, ethnic and social inequality will be a key focus of the second RCF. Gender-for-development analytical tools and methods will be developed and, wherever possible, applied to the analysis of the political economy of other vulnerable groups. The primary focus of these activities will be to integrate gender and vulnerability into the RCF governance initiatives that form its focus. The regional programme will increase support for data collection, the analysis of gender/vulnerability-related data and the development of indicators that can be used across all programmatic areas. UNDP will develop new partnerships within the United Nations system to broaden its analytical and advocacy capacities.

31. ICT for development. Information and communication technology for development (ICTD) activities will help countries and societies to design and implement ICT strategies that broaden participation in policy-making in order to help to establish a judicious governance environment for ICT. These will integrate ICT into RCF governance programming by emphasising national and regional policy-making, expansion of human and material resources, content development and connectivity. They will emphasise the use of ICT for good governance through transparency, accessibility and efficiency of services in the dissemination of

information. These activities will help to consolidate existing information, knowledge networks and partnerships and nurture new networks to support the regional governance initiatives.

32. HIV/AIDS. The critical policy dimensions of the alarming increase in HIV/AIDS will be examined in partnership with the co-sponsoring organisations - the Open Society Institute, UNAIDS and other partners - in order to mitigate the social and economic impact of the epidemic in the region. A regional analysis will be done of the HIV/AIDS crisis, which will lead to the elaboration of a regional human development report on HIV/AIDS. The study will establish benchmarks and indicators for measuring the results of national and regional activities. Sub-regional programmes emphasising prevention and capacity building will focus on the most vulnerable segments of the population, particularly women, children and groups facing social marginalisation or living in conflict areas. Pilot activities using a multisectoral approach will examine the budgetary implications of the epidemic at the national and sub-regional levels. To help strengthen cooperation between countries on a sub-regional basis, a study will be conducted on sub-regional activities focusing on the cross-border dimensions of drug use and sexually transmitted infections. Strengthening intra-regional cooperation via the sharing of information and best practices and support for regional resource centres and networks, will be key goals.

E. Advocacy and partnerships

33. Analytical standards, processes, and products. Human development reports (HDRs) have made important contributions to policy analysis, formulation and advocacy in the region. They have also been among the few consistent chronicles of the region's complex transitions. The quality of the national and regional HDRs will be improved in order to add breadth and depth to the regional programme's analytical and advocacy activities. The HDR process will be used to influence public debate, help catalyse changes in public policy, link analysis and advocacy more closely in the regional governance programmes, and provide regional-level monitoring of progress toward the Millennium Development Goals. Regional HDRs will take their

focus from ongoing work in democratic, economic and environmental governance. A more sophisticated HDR process will incorporate clear standards of analysis, participation, publication and dissemination for national, sub-regional and regional reporting on sustainable development and human security. Producing high-quality work on human security will be a major priority highlighting the critical public policy dimensions of the HIV/AIDS crisis in the region as a prelude to exploring new partnerships to combat the effects of the epidemic on the region's political economy. Wherever possible, the regional programmes will supplement these activities with region-wide training in sustainable human development and take the lead in promoting technical cooperation among countries in the region.

34. Partnerships. Regional programmes will be designed and implemented in close collaboration with a wide range of bilateral, multilateral, governmental and non-governmental partners, many of which were consulted during the RCF formulation. UNDP will assume the leadership role in involving and coordinating among relevant United Nations organisations in programme formulation and implementation. Many countries in the region are advancing their reform processes in anticipation of membership in the European Union. Their experience in reform across the broad range of governance, economic and environmental arenas will continue to add to the region's experience with transition. Coordination with the European Commission will be important in developing programme strategies appropriate to the developing relationship between countries in the region and the European Union. Special attention will be given to fostering East-East cooperation, in all directions and across the regional programme, to foster intra-regional technical cooperation among developing countries (TCDC) cooperation and partnerships.

V. Management arrangements

35. The principles of results-based management have been incorporated into the regional programme through the use of the strategic results framework and results-oriented annual report. The Regional Support Centre (RSC) in Bratislava, Slovakia, will manage virtually all regional programmes of the

second RCF, under the guidance and oversight of the Regional Director and regional programme advisory and monitoring bodies. An RCF steering committee, comprised of Resident Representatives, Bratislava RSC management (including the Sub-regional Resource Facility (SURF), and regional programme counterparts under the chairmanship of the Regional Director will ensure regular monitoring and periodic evaluation of the RCF and coordination among regional programme staff, SURF policy specialists and country offices. In so doing, the Bratislava RSC will help to promote the development of UNDP as a practice-driven organization by housing a critical mass of substantive expertise in UNDP key practice areas. The implementation of individual regional programmes will be regularly monitored by programme steering committees. The RCF will be reviewed formally on an annual basis and outcome-oriented evaluations will be conducted in accordance with UNDP revised monitoring and evaluation framework. The SURF board will provide additional input and support. The Bratislava RSC will manage regional project implementation and, in conformity with the rationale of the RCF, will choose execution modalities that promote broad participation, regional ownership and effective programme delivery. These include national, non-governmental and direct execution.

36. The second RCF will provide seed capital for UNDP regional initiatives and mobilise non-core resources for the activities described above. Since relatively few donors are interested in supporting regional programming, resource mobilisation under the second RCF will emphasise programmatic excellence and pragmatism. Support will be sought from UNDP thematic trust funds, GEF, and donors engaging in regional activities. Its emphasis on TCDC among transition countries should also allow the second RCF to mobilise emerging donor resources for use in other countries in the region. This will also help to formalise the principle of East-East cooperation and promote the sharing of experience and knowledge throughout the region in project design and implementation.

37. The regional programme will be financed with a core resource allocation of \$20 million (or an average of

\$5 million/year) to be allocated as follows: 35 per cent democratic governance, 35 per cent for economic governance, 25 per cent for environmental governance, 2 per cent for advocacy for development and 3 per cent for programme development and monitoring. A portion of core RCF resources (\$1 million) will fund programme development, monitoring and ad hoc regional initiatives, pursuant to recommendations in the June 2000 UNDP audit of global and regional projects. The Director of the Regional Bureau for Europe and the Commonwealth of Independent States will manage this fund and report on its use, and the Office of Audit and Performance Review will audit this account.

Annex

Resource mobilisation target table for Europe and the Commonwealth of Independent States (2002-2005)

Source	Amount	Comments
	(In thousands of United States dollars)	
UNDP regular resources		
Estimated carry-over	5 691	
Line 1.2	14 847	
SPPD/STS	429	
Subtotal	20 957	
UNDP other resources		
Government cost-sharing	1 000	
Third party cost-sharing	10 000	
Funds, trust funds and other	35 000	
GEF	30 000	
Other trust funds	5 000	
Subtotal	46 000	
Grand total	66 967	

Abbreviations: SPPD = support for policy and programme development; STS = support for technical services; TRAC = target for resource assignment from the core; GEF = Global Environment Facility.